

AR10

ROMAN CORPORATION LIMITED



ANNUAL
REPORT



FOR THE YEAR ENDED JUNE 30, 1967



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The
Officers and Directors
of
Roman Corporation Limited
are pleased to present
The Third
Annual Report
to the
shareholders
for the period ended
June 30th

1967



anada's industrial progress and promise is
forged from a blend of elements, not the least
of them being the imagination, vigour and
resourcefulness of our country's people . . .

In this nation's second century these
qualities and capabilities will serve our
national destiny to greater purpose,
our people's needs to greater fulfillment.

ROMAN CORPORATION LIMITED

OFFICERS

STEPHEN B. ROMAN, K.C.S.G., LL.D.

Chairman and President

JOHN S. GRANT, Q.C., *Vice-President*

JOHN C. PUHKY, *Secretary & Treasurer*

DIRECTORS

JOHN KOSTUIK, B.Sc.

J. J. C. EVANS

HARVEY J. MCFARLAND, SR.

R. A. RULE

JOSEPH J. RANKIN

BEN REGAN

JOHN S. GRANT, Q.C.

G. R. BALL

LIONEL R. MONTPETIT

A. HOADLEY MITCHELL, S.B.

STEPHEN B. ROMAN, K.C.S.G., LL.D.



ROMAN CORPORATION LIMITED

AUDITORS

EDDIS & ASSOCIATES

Toronto, Ontario

BANKERS

THE ROYAL BANK OF CANADA

Toronto, Ontario

REGISTRAR AND TRANSFER AGENT

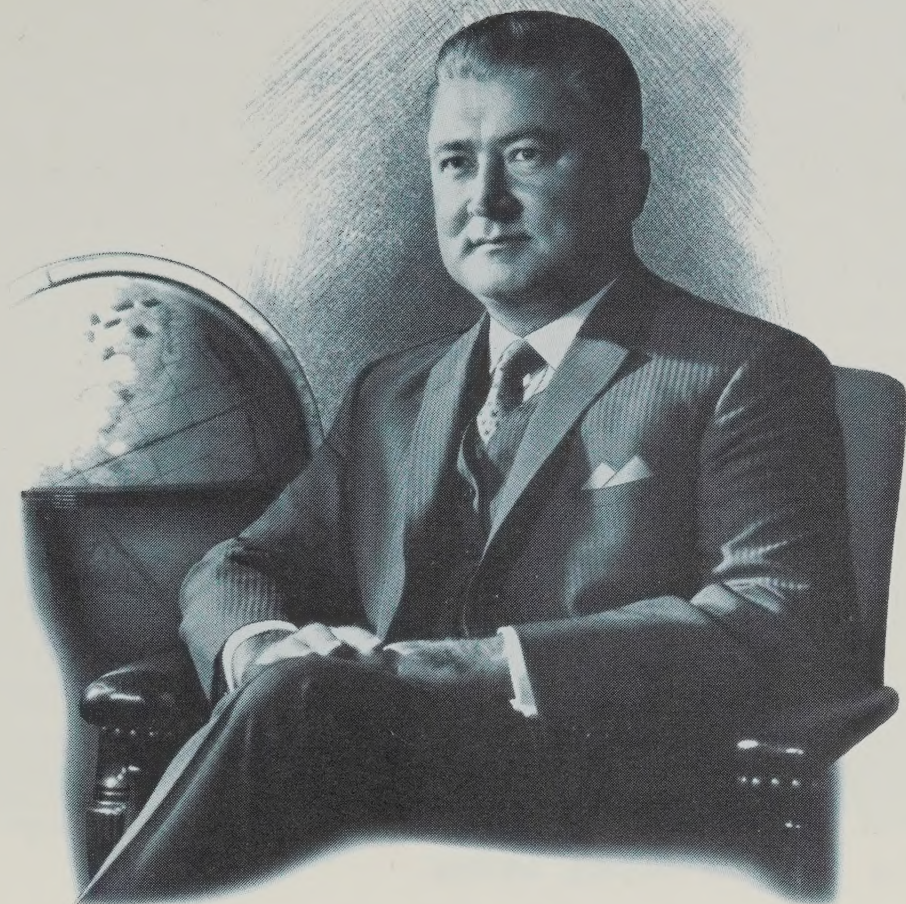
GUARANTY TRUST COMPANY OF CANADA

Toronto, Ontario

HEAD OFFICE

4 KING STREET WEST

TORONTO 1, ONTARIO



President's Report

To the shareholders:

I am pleased to submit this annual report to the shareholders, on behalf of my fellow directors which reflects the results of your Company's operations for the period from amalgamation with Rockwin Mines Limited on November 22, 1966 to June 30, 1967 and to review for you the highly gratifying developments that have affected your Company during such period and since the Company's year end. In addition to the financial statements of the Company for the first fiscal year ended June 30, 1967, we are enclosing financial statement of the amalgamating companies for their respective periods ended November 21, 1966.

Achievement has been attained in all areas of interest and activity by Roman Corporation Limited. Net profit amounted to \$648,671 while at the same time, your Company's retained earnings have risen to a new high of \$6,622,618 or \$2.53 per share.

For the third consecutive year your Company's holdings in Denison Mines Limited have been increased and now stand at 1,103,005 shares. The directors have been guided into this investment decision by, basically, two determinants. First is the highly satisfying record and performance as an investment that Denison Mines has shown and has borne out for Roman Corporation.

The second determinant is the consistent faith held by your directors in the role and growing world demand for nuclear energy, and the prominent place Denison holds in this field.

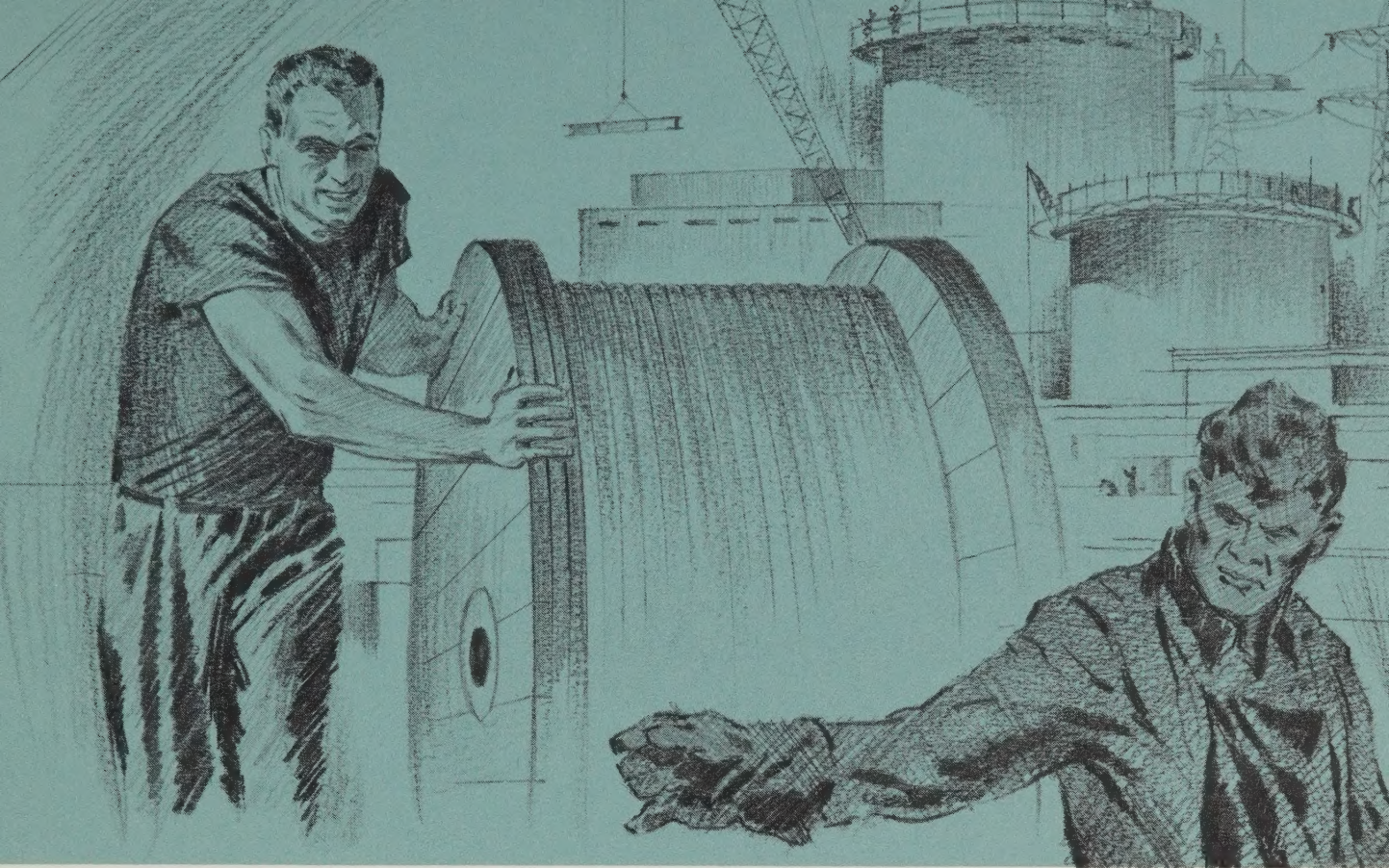
A year ago, in the 1966 annual report, I predicted that Canada's Centennial Year would see our national uranium industry well committed to long term uranium sales contracts. I also expressed, on this occasion and on others, that Denison Mines has both the determination and the capability to win eminence in the free markets for uranium.

You will be as gratified as I, then, to learn that the major contracts signed this year by Canadian uranium producers with Japan — contracts which saw Denison Mines undertaking to deliver the largest amount of uranium ever undertaken in a private transaction — are suggestive of the scope and attractiveness of our country's uranium resources and their marketability.

I believe uranium, indeed Canadian uranium, will be further sought because of the rapid expansion of cheap nuclear power as a present-day energy resource. This power is urgently required for the continued development of advanced nations and it is a basis of hope and survival for many developing nations.

The new impetus in uranium exploration is a direct response to the upward re-assessment of world nuclear power needs. Because of their obvious importance, existing orebodies such as that of Denison Mines, have come to be more favourably appreciated for their true economic worth and potential.



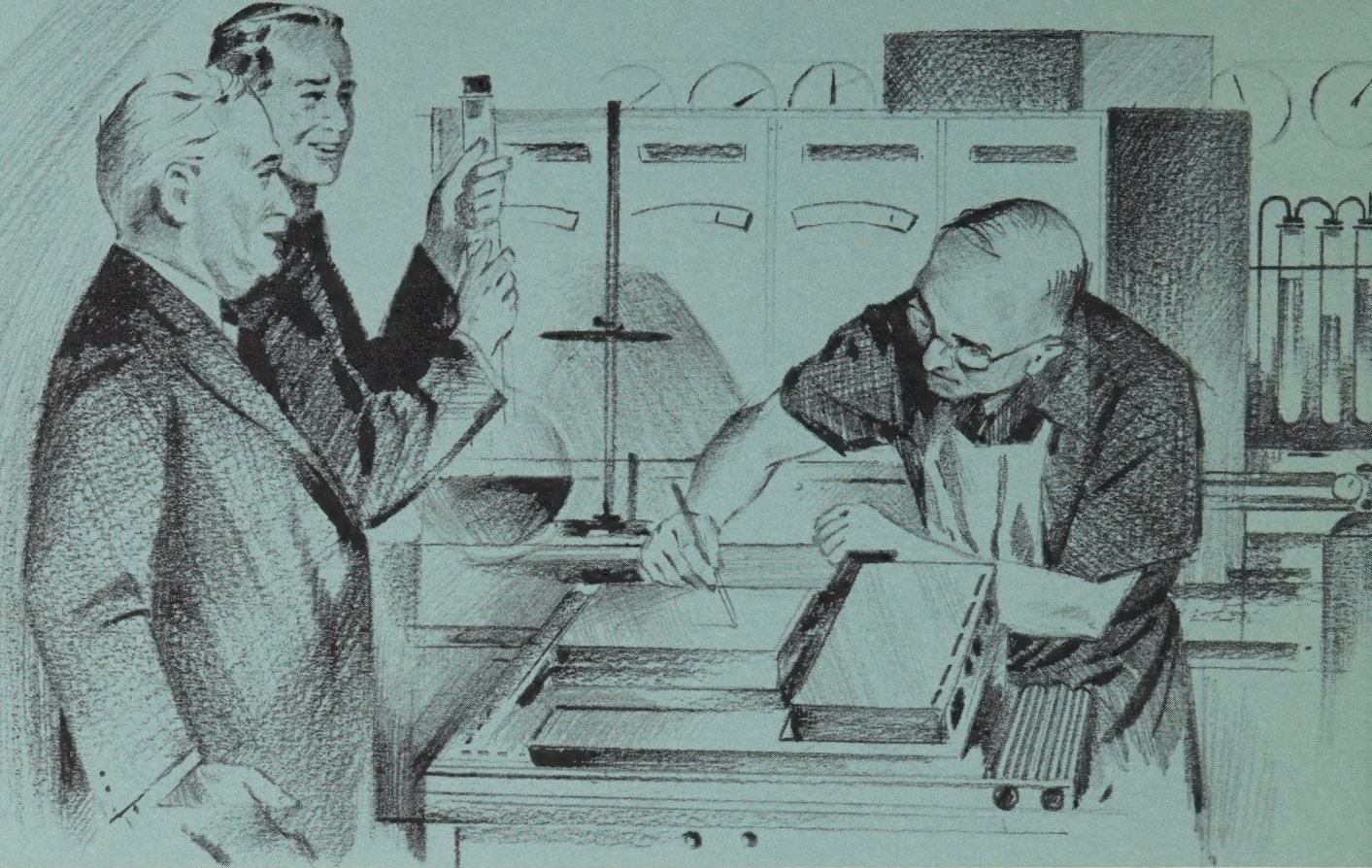


Roman Corporation is currently placing a great deal of emphasis on mineral exploration, not only for new uranium deposits but for metals of all kinds. Up to now, Company participation has involved examinations of both properties and proposals which will form the basis for next year's exploration endeavours.

Your Company also continues its policy of open interest in diversified investments, both in the natural resources field and in industrial enterprises. Last year there was a consolidation of our efforts in this regard. The coming year will see us spread into further areas of activity where your management will be seriously studying new ventures of considerable potential.

Overall, Canada is still a country for the venturesome. The image Canadians have shown the world in this Centennial Year is one of daring, enterprise and strength. The nation's private and public institutions are displaying the vision and vitality that can expand Canada to a country of 30 million people, or more, by 1980. It is expansion that evokes imaginative application of assets — both financial and human.

To achieve the most promising future possible, Canadians must have no check-reins on their initiative and enterprise, two of the most valuable characteristics of our industrial pioneers. These characteristics seem to be imperilled by the prejudice, contained in the Carter Commission Report, against essential incentives for new ventures. Some of the leading mining organizations in this



country have had their ardour for new developments cooled off by the atmosphere created by the proposals of the Carter Commission. There have been cancellations of mining plans and projects. This is clear evidence of how lack of incentives can discourage progress in the industry which earns more export income for this country than any other industry.

With incentives as still enjoyed by the mining industry in Canada, this country can stay in the vanguard of mining activity in the world. Canadian enterprise can look at extremely marginal ore deposits as capable of development where mining know-how and incentives are right. But without this favourable climate for mining development, important properties will lie dormant — as just so many pieces of rock, for centuries to come.

Whether such properties are brought into production to enlarge the wealth and prosperity of our nation will certainly be determined by the existence in our economy of the proper incentives for initiative and enterprise. The benefits to Canada in terms of national capital, increased employment and the growth of new communities and industries argue eloquently for such incentives. An enlightened concept of encouragement to mine development is especially necessary if the proper emphasis is to be given on the control of Canada's resources by Canadians.

Your Company has an important contribution to make in the nature of its investments — both in the extractive industries and

in manufacturing. Shared with the Company's management and its directors should be the concern of all shareholders and citizens that national growth, enabled by the resources and abilities of companies such as Roman Corporation, is not hampered by the tax tinkerers.

We are positive. We believe that the good sense of Canadian business management and the investing public will prevail and that a constructive climate for Canadian growth will be maintained. We also view the general economic outlook as good, with a new stage of economic advance being set this year for further gains by public companies in 1968.

Many programs were developed during the past two years and were held up in sympathy with the tight money policies enunciated by our government and the collaborative financial institutions. These programs were basically sound, however, and will be moved forward. They merit the capital outlay they require and their implementation promises even greater employment of labour and material in our economy. In this respect, the self discipline of labour can be a factor in turning new enterprises into profitable and durable ones, to the benefit of the nation as a whole.

Your Company is alert to opportunities for participation in these new ventures. Our success, as before, will continue to be aided by the support of our shareholders and the loyalty of our employees.

On behalf of the Board of Directors,

A large, stylized handwritten signature in blue ink, likely belonging to Stephen B. Roman, is positioned above his printed name and title.

STEPHEN B. ROMAN,
Chairman and President.

Toronto, Ontario
October 16, 1967

ROMAN CORPORATION LIMITED

Balance Sheet as at June 30, 1967

ASSETS

Current

Accounts receivable and prepaid expenses	
Shares in other companies held for investment, at cost (quoted market value of listed shares \$81,923,289)	
Office furnishings, leasehold improvements and automobiles, at cost less accumulated depreciation of \$242,701	
Mining claims and leases, at cost	

Other

Sundry advances and deposits	
Life insurance — cash surrender value	
Sundry securities, at nominal value	

LIABILITIES

Current

Bank overdraft (secured)	
Accounts payable and accrued charges	
Income taxes payable	

Bankers' demand loans secured by shares held for investment	
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Capital Stock

Authorized:

5,000,000 shares without par value

Issued and fully paid:

2,613,000 shares

Contributed surplus	
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Earned surplus	
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The accompanying notes are an integral part of this balance sheet
and should be read in conjunction therewith.

Approved on behalf of the Board,

JOHN S. GRANT, Director.

BEN REGAN, Director.



20,287

17,857,051

142,671

13,720

1,191

65,728

4

66,923

\$18,100,652

16,319

24,151

250,189

290,659

7,100,000

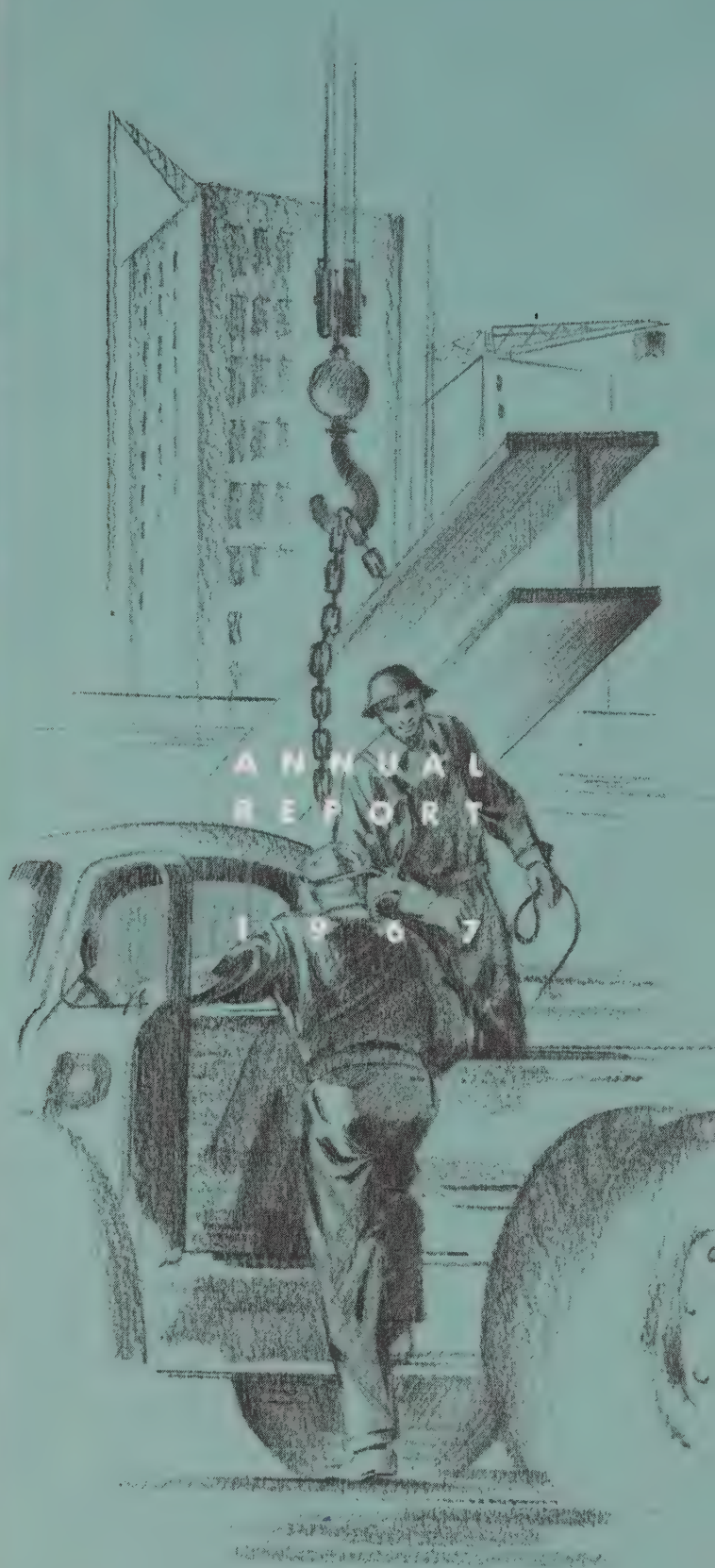
3,806,777

280,598

6,622,618

10,709,993

\$18,100,652



AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Roman Corporation Limited as at June 30, 1967 and the statements of operations, earned surplus and source and use of funds for the period from November 22, 1966, the date of amalgamation, to June 30, 1967. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the above balance sheet and accompanying statements of operations, earned surplus and source and use of funds present fairly the financial position of the company as at June 30, 1967 and the results of its operations for the period ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that used by the amalgamating companies in the preceding year.

EDDIS & ASSOCIATES,
Chartered Accountants.

Toronto, Canada,
July 11, 1967.



NOTES TO THE BALANCE SHEET

AS AT JUNE 30, 1967

1. By Letters Patent dated November 21, 1966, Roman Corporation Limited and Rockwin Mines Limited were amalgamated under the name of Roman Corporation Limited. Upon such amalgamation all of the shares of the amalgamated companies which were issued and outstanding at the time of the amalgamation were converted into 2,613,000 shares of Roman Corporation Limited, the continuing company.

2. On January 23, 1967 the company received from the Department of National Revenue reassessments of the income for the years 1962 to 1965 inclusive of certain of the companies which have amalgamated as the company. The resulting liability for income taxes of \$248,906 has been recorded in the company's accounts and adequate security has been given to the Department. The company is disputing these reassessments and has filed notices of objection with the Department.

No provision has been made in the accounts for any liability which may become exigible for fiscal years subsequent to 1965 due to transactions which might be considered to be similar to those in respect of which the above reassessments were issued.

3. Comparative figures for the previous year have not been provided since the company, as presently constituted, did not come into existence until November 21, 1966.



STATEMENT OF EARNED SURPLUS

For the Period from November 22, 1966,
the Date of Amalgamation, to June 30, 1967

Balances forward from amalgamated companies

Net profit for the period

Deduct:

Income tax reassessed against predecessor companies (note 2)

Balance — June 30, 1967

STATEMENT OF CONTRIBUTED SURPLUS

For the Period from November 22, 1966,
the Date of Amalgamation, to June 30, 1967

Balances forward from amalgamated companies

STATEMENT OF SOURCE AND USE OF FUND

For the Period from November 22, 1966,
the Date of Amalgamation, to June 30, 1967

Source of Funds:

Net profit for the period

Depreciation

Application of Funds:

Increase in cash surrender value of life insurance

Purchase of securities

Purchase of fixed assets

Reduction of bankers' demand loans

Income tax reassessed against predecessor companies

Decrease in working capital

Working capital deficiency, November 22, 1966

Working capital deficiency, June 30, 1967

STATEMENT OF OPERATIONS

For the Period from November 22, 1966,
the Date of Amalgamation, to June 30, 1967

Revenue:

Dividends

Services and rent

Expenses:

Consulting fees and expenses

Directors' fees

Donations

Exploration and development

Interest paid

Office rent and administration

Depreciation

Net profit before income taxes

Estimated income taxes payable

Net profit for the period

.....	6,222,853
.....	<u>648,671</u>
.....	6,871,524
.....	<u>248,906</u>
.....	<u><u>\$6,622,618</u></u>

.....	<u><u>\$ 280,598</u></u>
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.....	648,671	
.....	<u>21,192</u>	669,863
.....	4,620	
.....	150,247	
.....	18,315	
.....	505,071	
.....	<u>248,906</u>	927,159
.....		<u>257,296</u>
.....		13,076
.....		<u><u>\$ 270,372</u></u>

.....	937,334	
.....	<u>108,890</u>	1,046,224
.....	11,168	
.....	9,867	
.....	15,000	
.....	3,215	
.....	269,690	
.....	66,138	
.....	<u>21,192</u>	396,270
.....		<u>649,954</u>
.....		1,283
.....		<u><u>\$ 648,671</u></u>

